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A NEWSLETTER BY THE
CORPORATE COUNCIL ON AFRICA



PRESIDENT'S MESSAGE

BY FLORIZELLE LISER

When I wrote to you in February, I forecast 2019 would be a busy and productive year. Even I had no idea just how busy it would be. I'm delighted to report that, just under 50 days to the U.S.-Africa Business Summit to be held in Maputo on June 18-21, we already have eleven heads of state confirmed (from co-hosts Mozambique, Botswana, Equatorial Guinea, Eswatini, Guinea Bissau, Kenya, Malawi, Namibia, Rwanda, Zambia, Zimbabwe), as well as ministers from a number of countries. We're honored that Secretary of Commerce Wilbur Ross will again lead a strong U.S. Government delegation to the Summit, as he did in 2017, including

senior officials from seven agencies. Our panels are shaping up well, and we look forward to seeing you in Maputo for what I know will be a landmark event.

The Summit is perfectly timed for American and African businesses to meet with government leaders from across the continent to take stock of a number of important events. At the top of the list is the completion of the ratification process for the African Continental Free Trade Agreement (AfCFTA). On April 29, two states deposited their ratification instruments, reaching the required threshold of 22 to bring AfCFTA into force, which will take place on May 30. This will make the upcoming meeting of the African Ministers of Trade July 7 in Niamey that much more important. Ministers are expected to approve a number of legal instruments that will support AfCFTA's implementation, including rules of origin, final schedules of tariff concessions for trade in goods, proposals to monitor and remove online non-tariff barriers, next steps on establishing a digital payments and settlement platform, and launch of the African Trade Observatory Portal.

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As you can tell from this long list of items, African countries are moving quickly to lay the groundwork for regional and continental economic integration. We were delighted to host a Trade Working Group on April 16 that helped unpack some of the details, including what the timelines for the next year or two look like. As part of our panel, we hosted South Africa's AfCFTA negotiator, Wamkele Mene, who

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TEN HEADS OF STATE CONFIRMED TO ATTEND THE U.S.-AFRICA BUSINESS SUMMIT IN JUNE



King Mswati III
Kingdom of Eswatini



H.E. Filipe Nyusi
President, Republic of Mozambique



H.E. Paul Kagame
President, Republic of Rwanda



H.E. Hage Geingob
President, Republic of Namibia



H.E. Uhuru Kenyatta
President, Republic of Kenya



H.E. José Mário Vaz
President, Republic of Guinea-Bissau



H.E. Peter Mutharika
President, Republic of Malawi



H.E. Edgar Lungu
President, Republic of Zambia



H.E. Mokgweetsi Masisi
President, Republic of Botswana



H.E. Emmerson Mnangagwa
President, Republic of Zimbabwe

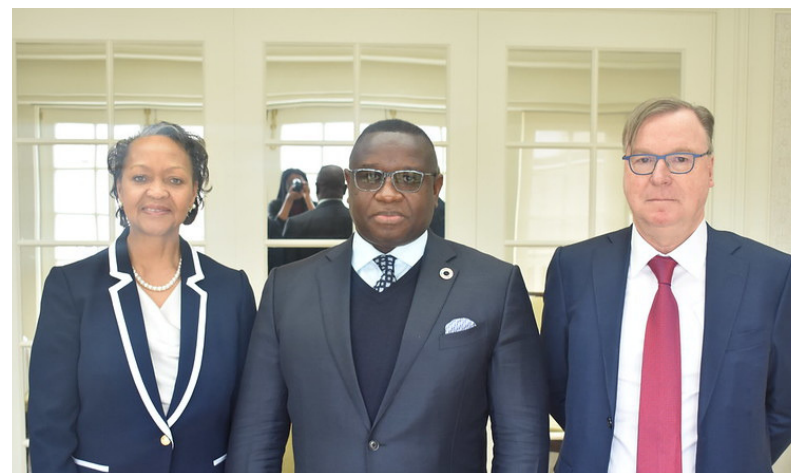
Corporate Council on Africa is honored to announce that the following Heads of State are confirmed to attend the 12th U.S.-Africa Business Summit in Maputo, Mozambique on June 18-21, 2019: King Mswati III, Kingdom of Eswatini; H.E. Filipe Nyusi, President, Republic of Mozambique; H.E. Paul Kagame, President, Republic of Rwanda; H.E. Hage Geingob, President, Republic of Namibia; H.E. Uhuru Kenyatta, President, Republic of Kenya; H.E. José Mário Vaz, President, Republic of Guinea-Bissau; H.E. Peter Mutharika, President, Republic of Malawi; H.E. Edgar Lungu, President, Republic of Zambia; H.E. Mokgweetsi Masisi, President, Republic of Botswana, H.E. Emmerson Mnangagwa, President, Republic of Zimbabwe.

The Summit will bring together more than 1,000 leading U.S. and African private sector executives, international investors, senior government officials and multilateral stakeholders. Themed “Advancing a Resilient and Sustainable Partnership”, CCA’s 2019

Summit will engage key U.S. and African government officials and decision makers to discuss their strategies, vision and initiatives to facilitate increased business and investment. The Summit will provide several opportunities for business executives to meet heads-of-state, ministers and high-level U.S. and African government decision makers to advocate for their business interests.

The Summit will also serve as a platform for businesses to hear from leading U.S and African industry experts on best practices in sectors including agribusiness, energy, health, infrastructure, ICT and finance; explore new business and investment opportunities, meet and network with potential business partners and obtain real-time leads; and advocate to shape effective U.S.-Africa trade and investment policies.

A ROUNDTABLE DISCUSSION WITH H.E. JULIUS MAADA BIO, PRESIDENT OF SIERRA LEONE



From L to R: Florizelle Liser, CCA, H.E. Julius Maada Bio, Sierra Leone, Jean Boulle, The Boulle Company



H.E. Julius Maada Bio addresses delegates at the private roundtable discussion

On March 11, 2019, Corporate Council on Africa (CCA) hosted a roundtable discussion with the President of Sierra Leone, Julius Maada Bio. Before President Bio spoke, his adviser on Economic and Financial Policy, Joe Demby, provided an overview of the National Development Plan's top goals. Simply put, Demby said President Bio is trying to get his country to reach the ranks of Middle Income Countries. Demby was frank in admitting that this would require at least doubling the current GDP of \$3.7 billion to reach lower middle income status, and tripling to reach upper middle income status. Nonetheless, the government has come up with a plan to do that. One of the most important targets is increasing revenue from the agricultural sector, which employs 90% of the population. The government is focusing on the country's two largest export earning crops, rice and coffee. Reducing the volume of crops lost between harvest and processing or delivery to port below the current 50% level could generate \$1.2 billion in annual revenue. Expanding the area under cultivation for these two crops by 25% and upgrading

growing techniques to match the average level of other West African producers could add another \$1 billion per year. In addition, the country is looking to make better use of its extensive fishing resources, a potentially rich area for development and job creation in a sector that has been badly neglected for more than a decade. The government is also planning on investing in improved roads and ports, which will significantly boost the country's competitiveness (the three most productive parts of the country are not currently served by national infrastructure networks). Demby and Deputy Finance Minister Patricia Laverly explained measures the government is implementing to improve laws and regulations to make it easier to invest and trade, while also invest in education to improve the capacity of Sierra Leonean workers.

President Bio took the podium and explained to the capacity crowd that he is serious about changing Sierra Leone's story from what the international community knows now of a country that has suffered the ravages of a prolonged

civil war and Ebola, and creating a much healthier story of a country that is developing the potential of its people. He described programs his government has put in place to reduce corruption and make government more accountable, while also focusing on the practical issues needed to create jobs and get the economy moving. President Bio explained that he specifically came to Boston and Washington as part of an effort to reach out to American companies to convince them to examine Sierra Leone's potential – particularly beyond just looking at Freetown, mining and tourism.

The President and his delegation answered a number of questions from the audience, including agreeing to follow up with several companies that expressed interest in the agricultural, construction and financial sectors. The Trade and Development Agency also provided a quick overview of three projects it has recently signed in the country to support several sectors, including off grid and renewable energy generation. This event took place with the generous sponsorship of Jean Raymond Boulle and the Boulle company.

CCA PRESIDENT AND CEO VISITS NIGERIA AND KENYA AHEAD OF 2019 SUMMIT



From L to R: Ms. Carol Karuiki, KEPSA, Ms Florizelle Liser, CCA, Ms. Sonia Mfasoni, CCA



From L to R: Ms. Sonia Mfasoni, CCA, Mr. Kiprono Kittony, KNCCI, Ms. Florizelle Liser, CCA



Ms. Betty Maina, Ministry of Industry, Trade and Cooperatives, addresses delegates at the member dinner



Ambassador Kyle McCarter, U.S. Embassy Nairobi, addresses delegates at the member dinner

Corporate Council on Africa's (CCA) President and CEO, Ms. Florizelle Liser met with key stakeholders in the public and private sector during her recent visit to Kenya and Nigeria. This was part of the ongoing effort to promote the upcoming U.S.-Africa Business Summit from June 18 – 21, 2019 in Maputo, Mozambique and advance trade, investment and business engagement between the United States and Africa. CCA, a Washington D.C. based organization, is the leading U.S. business association focused solely on connecting business interests between the United States and Africa.

VISIT TO KENYA

Ms. Liser kicked off her round of meetings in Kenya with Ms. Carol Karuiki, CEO of Kenya Private Sector Alliance to discuss areas of mutual interest where both organizations could work together.

The CCA president then met with Mr. Kiprono Kittony, National Chairman of the Kenya Chamber of Commerce and Industry to finalize an MOU discussion they had started in 2018. The signing of the MOU will take place on the sidelines of CCA's Flagship U.S.-Africa Business Summit taking place June 18-21 in Maputo, Mozambique.

Ms. Liser also met with Dr. Amit Thakker, Chairman of Africa Healthcare Federation to discuss areas CCA and AHF could collaborate on in the health sector and to promote more investments in the health sector. The CCA president invited all business associations and their respective members to Summit. She explained that CCA's working relationship with the Government of Mozambique around this period is also a sign of the commitment of CCA to enhancing U.S.- Africa relations.

Ms. Liser and Ms. Sonia Mfasoni, East Africa Director, CCA met with several Kenya-based CCA members, General Electric, Kountable, KCB to discuss their current business objectives and expansion efforts across Africa. Ms. Liser also hosted a private CCA Member Dinner to recognize current members, existing partners and potential members in Kenya.

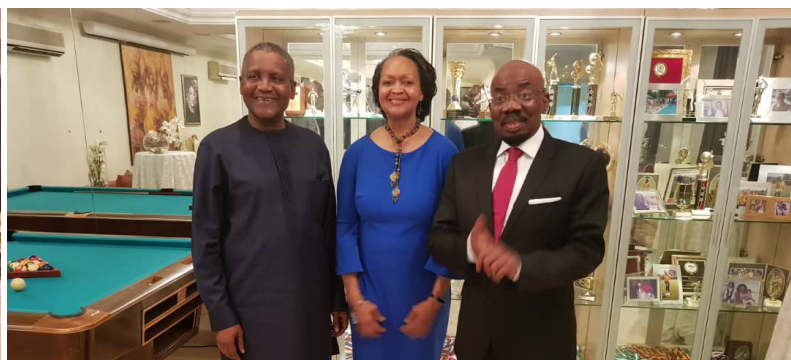
Guests of honor of the dinner included Ambassador Kyle McCarter, U.S. Embassy Nairobi and Ms. Betty Maina, Principal Secretary in the Ministry of Industry, Trade and Cooperatives. Other honored guests included Joyce-Ann Wainaina, CEO, Kenya and East Africa, Citi Bank; Philippe Dongier, Managing Director, Government Affairs & Policy, GE Africa; Vincent Aberi, Head of Diaspora Banking, KCB Group Limited;

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CCA PRESIDENT AND CEO VISITS NIGERIA AND KENYA AHEAD OF 2019 SUMMIT...continued from page 4



From L to R - Mr. Alg-Imoukhuede, Mr. Aliko Dangote, Ms. Florizelle Liser, Mr. Femi Otedola, Mr. Jim Ovia, Mr. Tunde Folawiyo



From L to R: Mr. Aliko Dangote, Ms. Florizelle Liser, Mr. Jim Ovia



A cross section of delegates at the CCA member dinner in Lagos



A cross section of delegates at the CCA member dinner in Lagos

Bramuel Mwalo, Director, SSA, Kountable; Nora Petty, MITG Lead, SSA, Medtronic; Anthony Nganga, Brand and Commercial Director, P&G; Mary Kamari, Executive, Corporate Affairs & Investor Relations, Trade and Development Bank (TDB); Edwin Temu, Director, Visa, Inc.; John Lentaigne, Chief Underwriting Officer, Africa Trade Insurance Agency; Munene Mathenge, General Manager, DLR Group; Dan Awendo, Managing Director; Home Afrika; Florence Sugut, Managing Director, ikapamedia East Africa; Amrote Abdalla, Regional Director for Africa, Microsoft and other business and government leaders.

VISIT TO NIGERIA

In Lagos, Nigeria, Ms. Liser and Mr. Ekenem Isichei, West Africa Director, CCA, met with CCA board members, Mr. Aliko Dangote and Mr. Jim Ovia and invited

them to speak at the upcoming U.S.-Africa Business Summit from June 18 – 21, 2019 in Maputo, Mozambique. In the meetings with Ms. Liser, Mr. Dangote and Mr. Ovia shared their current business objectives and expansion efforts across Africa.

During her trip, Ms. Liser met with the Lagos State Chamber of Commerce President, Mr. Babatunde Ruwase, Mr. Muda Yusuf, Director General and Ms. Temitope Akintunde, Assistant Director of LCCI. Areas of mutual interest were discussed, and areas of opportunities were identified where both organizations could work together.

Ms. Liser also met with the President of the Nigerian American Chamber of Commerce (NACC), Mr. Akomolafe, the Director General, Joyce Akpata and members of the board. Given that both organizations are focused on

building strong synergies between the U.S. and Nigeria, Ms. Liser invited the President and members of the NACC to CCA's U.S.-Africa Business Summit.

The CCA president also attended a private dinner hosted by Mr and Mrs. Tunde Folawiyo and the Global Citizen's foundation, which was attended by the Governor elect of Lagos State, Mr. Sanwololu, Mr. Jim Ovia, Mr. Tonye Cole, Biola Alabi etc.

To conclude her visit to Nigeria, Ms. Liser explored Nigeria's tech sector by visiting the Andela Nigeria office and the Vibranium Valley innovation hub. She was impressed by the human capital development efforts involved and the remarkable innovation from the ICT sector in Nigeria.

CCA HOSTED THE 2019 AFRICA FINANCE FORUM ON THE SIDELINES OF THE WORLD BANK SPRING MEETINGS



Rhoda Weeks-Brown, the IMF's General Counsel addresses delegates



Witney Schneidman, Covington and Burling, welcomes delegates

Corporate Council on Africa hosted the 2019 Africa Finance Forum on April 10, 2019. The Forum featured an address by Rhoda Weeks-Brown, the IMF's General Counsel and Director of the Legal Department, as well as two panels that included representatives from commercial and central banks. The Forum also featured an address by Phumzile Langeni, one of South African President Ramaphosa's Investment Emissaries.

Ms. Weeks-Brown noted the IMF has just completed its World Economic Outlook for Sub Saharan Africa, which indicated that growth would strengthen from 3.0 to 3.5% in 2019. 22 of the 45 countries in the survey are growing faster than 5%, and also have a faster increase in per capita income than the world average. Resource rich countries tend to be growing more slowly, typically below the rate of population growth

Turning to the financial sector, she noted that public debt has stabilized, but there is a sense that debt vulnerability has increased in some regions, and has done so at a higher level than expected. Weeks-Brown said she was pleased that there is a steady rise in pan-African banks, and an increase in fintech, while also noting there has been a decline in more traditional correspondent banking relationships.

Weeks-Brown summarized some of the financial sector reforms that are taking place across the continent. First, she noted that there are generally strong financial sector authorities, providing capable supervision of banks, and stressed the importance of these institutions maintaining their political independence to support sustainable financial policy. The second trend she noted was sound supervision of banking regulations, particularly in corporate governance. It is important to have both the right institutions and the right frameworks, particularly as the presence of pan-African banks expands. Third, Weeks-Brown also noted the growing challenge of cross-border supervision. Pan-African banks are very dynamic, and they lead to increased competition, although their greater complexity and distance lead to challenges for home country regulators particularly regarding sharing appropriate information with regulators across borders. In some countries, she noted there have also been questions about the corporate governance and business practices of some bank owners, including audits and financial disclosures.

Weeks-Brown is pleased to see the rise of fintech, arguing that Africa is underbanked. Roughly 20% of the population have bank accounts, compared to 92% in the OECD.

This is part of the reason Africa is already a leader in mobile money. Fintech has huge promise as a potential enabler to deepen financial inclusion and increase competition. Risks must be addressed, however. There are bottlenecks, including access to foreign currency, and there are also risks including the high cost of intermediation and currency exchange. She stressed the importance of the sector also having a broader sense of purpose, including increasing gender diversity, increasing the percentage of women employed, who tend to be huge drivers of economic growth.

PANEL DISCUSSIONS

The first panel included the head of Citibank's Ivory Coast office, Vivianne Bakayoko, the Finance Minister of Ghana, Ken Ofori-Atta, Kalidou Gadio from Manatt, and Michael Nonaka, Covington and Burling.

The panel discussed the broader state of African banking, with several panelists noting the significant consolidation in commercial banking that has seen 89 regional banks reduced to 25. There have also been a number of international banks that have decided to exit the African market for a variety of compliance issues, which has opened the door for expansion by African and regional banks...[continued on page 7](#)

CCA HOSTED THE 2019 AFRICA FINANCE FORUM ON THE SIDELINES OF THE WORLD BANK SPRING MEETINGS ...continued from page 6



The sector is much stronger than a decade ago, with a decline in non-performing loans. Digital banking is much more important now, and local capital markets are beginning to expand. One of the most pressing concerns is how to finance the huge infrastructure needs. Greater inclusion is driving rapid change, particularly as mobile money expands. One of the most important advances in Ghana has come from linking mobile money applications with SWIFT accounts, which in turn has dramatically expanded their interoperability. Ghana has just passed a new law that will allow fintech firms to set up operations with Central Bank supervision, with the goal of allowing and supporting innovation but in a framework that is licensed and supervised.

Citibank noted that commercial banks are doing a better job of handling risks associated with Basel II and III, and are increasingly thinking outside the box, including developing capital markets. Participants agreed that maintaining the right levels of capital adequacy is very important to reduce systemic risk. Allowing banks to engage in some fintech services is very helpful for all concerned. One participant cited the example of online lending that allows street vendors selling oranges to take out a micro loan early in the morning to fund their purchases, which they repay at night over their phone. Fintech companies have developed a risk model using phone data that allows them to lower the

commercial risk to viable levels. This example underscores the importance of having the right regulatory framework in place, both for finance and for data privacy.

There was an interesting discussion about the impact of Know-Your-Customer requirements, with one participant asking if it was worth it to apply global standards for a \$20 loan. Several participants stressed the importance of having no tolerance throughout the banking chain for not applying international standards. Speakers recognized that this brought some unintended consequences of driving some customers away from the financial sector. The need for better customer identification, however, has also been an opportunity for African banks to step up their game and become more innovative. The required improvements from KYC policies have also been useful in driving down non-performing loans, suggesting that there are some important side benefits.

A CALL TO INVEST IN SOUTH AFRICA

Phumzile Langeni offered a compelling summary of South African President Ramaphosa's drive to attract \$100 billion in Foreign Direct Investment. South Africa hosted an investment conference last July which saw \$30 billion in new pledges and deals signed. South Africa has also attracted \$20 billion in pledges from Middle Eastern countries, and \$15 billion from China. South Africa has been

supporting this drive by enacting a range of reforms, including making it easier to obtain tourist and business visas and releasing spectrum later in 2019 to support the ICT sector.

South Africa still has to address a number of challenges, beginning with sorting out the problems of the state owned electricity company, ESKOM. She noted that President Ramaphosa outlined a reform plan for ESKOM in the February State of the Nation address, supported by specific proposals in the draft budget. She admitted it will be a long road to solve all the problems, but promised South Africa is committed to implementing important changes, including expediting approvals under the Renewable Energy Independent Power Producers Program. South Africa has also implemented changes to the mining charter.

Langeni noted the importance of the May 8 national elections. Regardless of who wins, South Africa will need to focus on boosting economic growth, as well as reducing unemployment and inequality, particularly as youth unemployment nears 50%. South Africa must increase economic growth from less than one percent to 3-5%. There are also important policy questions about land reform, unemployment, job shedding as world tensions grow, and improving financial inclusion.

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RESPONDING TO TROPICAL CYCLONE IDAI - AN UPDATE ON RELIEF EFFORTS AND NEXT STEPS



A cross section of delegates at the the Working Group including Ambassadors of Malawi, Mozambique and Zimbabwe

On April 15, 2019, CCA hosted the Ambassadors of Malawi, Mozambique and Zimbabwe as well as Admiral Tim Ziemer, the Acting Assistant Administrator of USAID for the Bureau of Democracy, Conflict and Humanitarian Assistance. Each of the three Ambassadors explained the impact of Tropical Cyclone Idai, which struck the three countries on March 14 and 15.

They described the widespread impact that the extensive rains before and after had on transportation infrastructure, as well as housing, particularly for poorer communities. Admiral Ziemer explained the efforts that USAID's Office of Foreign Disaster Assistance had undertaken in coordination with international relief efforts to meet the urgent needs of the hundreds of thousands of displaced people across the region.

Admiral Ziemer and the Ambassadors all agreed that the response is now shifting from immediate relief to the longer-term reconstruction efforts.

Admiral Ziemer explained that public and private sector donors generally look to the host country governments to start the process of determining what's needed to support reconstruction, as well as the ongoing needs of displaced people. Each of the three Ambassadors offered some initial details about their country's plans on reconstruction, and noted that the UN will organize a meeting in Maputo in mid-May to begin coordinating the response of official donors and charities.

They all welcomed the support that CCA and member companies have expressed to date, and looked forward to providing more information about specific needs as they develop. CCA will work with the three embassies and with USAID to provide updates on the response as well as on individual country reconstruction plans as they become available.

More information is available at: <https://www.cidi.org/disaster-responses/mozambique-cyclone/#.XMiY0TBKiJA>

CCA HOSTED THE 2019 AFRICA FINANCE FORUM ON THE SIDELINES OF THE WORLD BANK SPRING MEETINGS

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Phumzile Langeni addresses delegates

Langeni noted that South Africa is already increasing spending on its ports, including by the parastatal TRANSNET. She also noted that the progress of the African Continental Free Trade Agreement would boost investment across Africa. South Africa is looking to invest at least \$10 billion per year in ports and mining related infrastructure, rail and road projects, schools and health through a new infrastructure fund that will augment the spending of ministries in the regular government budget. Langeni said South Africa would welcome private sector partnerships. South Africa's top five priorities are agribusiness and agroprocessing, manufacturing, including autos, health, finance, and tourism.

In answer to a question, she explained the issues around land reform and what a constitutional amendment might look like. She stressed that South Africa would only consider expropriation without compensation if it doesn't undermine the economy, food supply and is progressive. She doubted that this would start with privately held land, but rather with state held land. She promised that President Ramaphosa would not "undo 25 years of hard work," and that there would be more clarity after the May 8 election on this issue, including by proceeding with a test case.

CCA HIGH-LEVEL DIALOGUE SERIES - A DIALOGUE WITH NIGERIAN MINISTERS OF BUDGET & PLANNING AND FINANCE



From L to R: Ambassador Stuart Symington, DG Ben Akabueze, Florizelle Liser, Senator Udoma Udo Udoma, Minister Zainab Ahmed, Ambassador Sylvanus Nsofor



A cross section of delegates at the High Level Dialogue

On Friday April 12, 2019, on the sidelines of the World Bank Spring meetings, Corporate Council on Africa (CCA) hosted the Nigerian Minister of Budget & National Planning and the Nigerian Minister of Finance as part of its High-Level Dialogue Series. The High-Level Dialogue was hosted by CCA member Winston & Strawn LLP at their offices on K Street, Washington DC. Partner, Tom Trimble gave opening remarks and invited attendees to enjoy a plated lunch before the presentations. CCA President & CEO Florizelle Liser, gave welcome remarks during which she noted CCA's close working relationship with the government of Nigeria, and the thriving private sector.

Senator Udoma Udo Udoma, Hon. Minister of Budget & National Planning gave the first presentation. His presentation was focused on Nigeria's economic outlook for 2019. He reminded guests that Nigeria has witnessed successive, smooth democratic transitions since 1999. President Buhari recently secured a second term in office and the goal of the administration is to consolidate and further expand investor friendly policies. He then turned his attention to the Economic Recovery and Growth Plan (ERGP). The goal of the ERGP is to restore growth, build human capital and build a globally competitive economy.

The President has set up a committee chaired by the Vice President, H.E Prof. Yemi Osinbajo tasked with fast-tracking the growth plan with the target to get the economy growing at 7% in order to make a substantial dent in poverty and create jobs. He highlighted some of the policy reforms and initiatives which the government has introduced to improve the economy. For example, the CBN established an investors and exporters FX window to deepen the FX market, boost liquidity and accommodate all FX requirements. The government has also established the Nigeria Industrial Policy and Competitiveness Advisory Council as a vehicle for partnering with the private sector on the Industrialization Agenda.

Nigeria has successfully come out of recession - the Honorable Minister presented figures showing real GDP growth which has been driven by the non-oil sector which has been growing at over 2%. He also presented other macroeconomic indicators which show an improvement in the economy.

The second presentation was made by Minister Zainab Ahmed the Honorable Minister of Finance, Federal Republic of Nigeria. She highlighted the priority areas for the Ministry of Finance and the administration. One priority is improved revenue generation for sustainable economic growth.

Recently the Ministry launched the Strategic Revenue Growth Initiatives which aims to boost revenue generation in order to meet targeted revenue to GDP ratio of 15% as set out in the ERGP. The initiative has 3 thematic areas: (i) achieve sustainability in revenue generation; (ii) identify new and enhanced enforcement of existing revenue streams and (iii) achieve cohesion (people and tools). She explained that in 2019 and in line with the ERGP, the government will continue to invest resources in achieving the following fiscal priorities: enhancing revenue generation, collection and monitoring; fiscal consolidation by optimizing priority capital and recurrent expenditure, optimizing management of both domestic and global fiscal risks and increased coordination of fiscal, macroeconomic, monetary and trade policies. The Honorable Minister concluded by stating that the Nigerian government is actively seeking investors to partner with as they consolidate on the recent economic recovery & plot a trajectory for diversified, sustainable and inclusive economic growth.

Notable attendees at the event included: Ambassador Stuart Symington, U.S. Ambassador to Nigeria, Ambassador Sylvanus Nsofor, Nigeria Ambassador to the United States and Ambassador Herman Cohen, former United States Assistant Secretary of State for African Affairs and founding member of Corporate Council on Africa.

A ROUNDTABLE DISCUSSION WITH HIS EXCELLENCY FELIX TSHISEKEDI

Corporate Council on Africa in partnership with the U.S. Chamber of Commerce and the Initiative for Global Development hosted a Roundtable Discussion with His Excellency Felix Tshisekedi, President of the Republic of the DRC, on Wednesday, April 3, 2019. His Excellency Felix Tshisekedi presented his agenda for investment opportunities in the Democratic Republic of the Congo.



His Excellency Felix Tshisekedi, President of the Republic of the DRC with CCA, IGD and USABC

KENYA COMMERCIAL POLICY UPDATE WITH CS PETER MUNYA

Cabinet Secretary of the Ministry of Industry, Trade and Cooperatives, Republic of Kenya, Peter Munya, met with U.S. private sector companies at a roundtable on “Kenya’s Progress Towards Accelerating Trade & Investment to Foster Economic Transformation” organised by the Corporate Council on Africa and U.S. Chamber of Commerce and in Washington DC.



Cabinet Secretary of the Ministry of Industry, Trade and Cooperatives, Republic of Kenya, Peter Munya addresses delegates



His Excellency Felix Tshisekedi, President of the Republic of the DRC addresses delegates at the roundtable discussion



A cross section of delegates at the roundtable discussion

UPDATE ON THE STATUS OF THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT AND A LOOK AT THE ROAD AHEAD



A cross section of delegates at the Working Group Meeting



A cross section of delegates at the Working Group Meeting

On April 16, 2019, CCA hosted a lively discussion on the current status of the African Continental Free Trade Agreement and implications for U.S.-African trade and investment. The event began with Witney Schneidman of Covington and Burling and Katrin Kuhlmann of New Markets Lab reviewing the highlights of the U.S.-Africa Trade and Investment Forum, which CCA held in Addis Ababa on February 11-12. Trudi Hartzenberg, Director of the Trade Law Center in South Africa, summarized the latest developments with respect to the AfCFTA and some of the key issues raised during TRALAC's annual summit in April. South Africa's AfCFTA negotiator, Wamkele Mene, offered his perspectives on the current status of negotiations and what the future looked like. Manchester Trade's Stephen Lande offered comments on the significance of AfCFTA for U.S.-African trade.

HIGHLIGHTS FROM THE U.S.-AFRICA TRADE AND INVESTMENT FORUM

Witney Schneidman began with a brief review of the main issues that arose during the panel on services that he chaired at the TIF. Services are growing significantly faster than manufacturing (6.4% versus 4.5%) across the continent, and now account for more than 50% of most countries' GDP. It's clear that the digital revolution is already happening in Africa, and that it's spread beyond cellphones. On the panel, the World Bank stressed the importance of developing the skills and infrastructure to

realize the sector's potential, including putting in place the right regulatory structure. During the panel discussions, the question about who controls information and data, as well as information nationalism, came up, and there was a general consensus that the degree of regulatory coherence will determine the speed of Information Communication Technology sector developments. There was also a clear sense that companies need to step up and be much more active in offering their opinions and advice.

Katrin Kuhlmann noted that her panel on trade was much more energetic than discussions in past, and that the nature of the conversation was much more constructive. There was a lot of focus on the fact that the Africa Growth and Opportunity Act (AGOA) only has six years left, and that countries should find ways to maximize their advantages while this program remains in place. It is also important to build on the gains from AGOA as countries begin building the follow-on trade and investment relationship with the United States. There was also a clear sense that AfCFTA discussion needed to be linked to using remaining opportunities under AGOA. There was also agreement that AfCFTA will reshape international trade law as African countries design some truly unique implementation procedures for what will be the world's largest free trade agreement. There was also a sense that countries need to pay more attention to critical sectors, including agriculture, and improve regulatory coherence across regions.

TRALAC REVIEW OF AfCFTA

Trudi Hartzenberg provided a very helpful update on the status of AfCFTA ratification - 20 of the 22 countries required to bring the agreement into effect had already ratified it. She noted that African countries have reached this point in record time. AfCFTA is a modern trade instrument, and very different than other regional agreements in that it goes well beyond liberalization. There are a number of provisions that will directly boost the competitiveness of African companies, including through improving economic governance. AfCFTA is coming at the right time, in that Africa's median age is only 19, meaning that the development of provisions for the digital economy is critical, including regulatory reform and harmonization. Hartzenberg laid out the next steps, beginning with the operational phase which will launch in July. Before that starts, negotiators are set to complete discussions on Rules of Origin in May, and finalize their list of tariff concessions by July. She noted that discussions have made significant progress to date. Services are set to be completed by January 2020, with a focus on five priorities selected to boost competitiveness; transportation, communication, financial services, tourism and business services. Countries are also setting up the African Trade Observatory, which will be a repository for data and agreements. Once these negotiations are

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UPDATE ON THE STATUS OF THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT AND A LOOK AT THE ROAD AHEAD

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A cross section of delegates at the Working Group Meeting

completed, countries also have a lot to do at the national level.

Wamkele Mene agreed that progress has been remarkable in less than four years, which in turn is a testament to the enormous political will of African leaders to get this agreement done. He noted the enormous complexity involved in finding common positions among countries that vary widely in annual per capita income, from Equatorial Guinea's \$22,000 to Somalia's \$100, countries that speak five different languages, and have different legal systems. Leaders told negotiators that the agreement must address the infrastructure deficit, increase inter-African trade beyond the current level of 17% of the total, and must place Africa on the trajectory of industrial development, boosting value added operations in the continent. Thus, AfCFTA is far more than "just" a trade agreement, but also aims to address concerns about the investment climate, IPR and boosting competitiveness. He described AfCFTA as a "mother" agreement with several subsidiary agreements. The latter include protocols on dispute settlement, trade, etc, as well as annexes on tariffs, which are being tackled in the first stage that will soon be wrapped up. The second stage starts in August, and will cover subsidiary agreements on investor protection, competition policy and IPR.

Mene described AfCFTA as an opportunity

for Africa to include new trade regulations that position Africa to be part of the Fourth Industrial Revolution, including the digital economy and the internet of things. He said that the current discussions are a great opportunity to set the right legal framework and principles for important issues like data access and data storage. He also talked about the importance of financial services, which must boost inclusion and lower transaction costs. Mene said that the goal is ultimately to create a single payment system across Africa, much like the one Europe uses. On trade, he said that the customs and trade facilitation agreement chapters go well beyond the provisions of the last WTO discussions in Bali, creating an instrument to 'unstick' trucks and harmonize customs procedures. He also stressed the importance of the provisions on dispute settlement, which set up a time frame and a panel to handle disputes. Companies are not forced to go to a local court, and have the right to appeal to a body of international experts. There will also be an enforcement capability, including elements of the New York Convention. Mene said that these provisions will be far reaching and unique, defining the state of the art of "WTO Plus."

Mene conceded that AfCFTA will face a number of challenges. The first is implementation, although he underscored the strong political support from leaders across the continent that he believes will get

the agreement done. He cautioned that not all 55 African countries will start implementing the agreement on day one. Some countries are ready to implement the provisions of the agreement today, and are already working on the required domestic reforms. Mene noted that AfCFTA will set up a dedicated secretariat to help countries with implementation issues, which will function independently from the African Union. Countries will need to pass domestic legislation providing for trade remedies. Currently, only South Africa and Egypt have such a law. There will also be a need to work with countries that are heavily reliant on tariff income to facilitate their adjustment. Afreximbank is already working on some provisions.

IMPLICATIONS FOR THE UNITED STATES

Stephen Lande welcomed the attention on AfCFTA, and stressed the importance of U.S. companies learning much more about it very quickly. He lauded the impact that AfCFTA will have on helping integrate African economies, and boost their competitiveness and growth. He also underscored the importance of getting the details right on issues like rules of origin to make sure that these support regional integration and foreign investment.



Prime Minister Coulibaly, Ivory Coast, with Florizelle Liser, CCA on the sidelines of the World Bank Spring Meetings

SOUTH AFRICA IN 2019 - IS THE COUNTRY AT A CROSSROADS?



A cross section of delegates at the Working Group Meeting

On April 17, 2019, Ann Bernstein, the Executive Director of South Africa's Center for Development and Enterprise, provided a broad summary of the issues confronting South Africa as it heads for national elections on May 8. She began by noting that, in many ways, the question before the country is whether it can recover from 10 years of misrule by the African National Congress (ANC), broken down into four broad challenges. The first is economic growth, as the economy has generally stagnated to the point that population growth has exceeded economic growth. By 2015, just under half of the population survived on \$70 per month. The second is unemployment, with only 43% of the population actively employed, compared to an OECD average of 60%. The third challenge is fiscal, as debt has tripled in the last ten years, and expenditure growth on bloated State Owned Enterprises and corruption now far exceeds growth in revenue. The fourth challenge is what Bernstein termed collapsing state institutions, illustrated by rolling blackouts and a lower level of electricity generated in 2018 compared to 2004, despite the State Owned Electricity Generation company increasing prices 170% over the last ten years.

Bernstein noted that President Ramaphosa has recorded some wins during his tenure. He did manage to get rid of former President Zuma, and has set up five commissions of enquiry, which have made an important start in cleaning up corruption.

Bernstein applauded the very quick work on the commission looking into the South African Revenue Service (SARS), which concluded an extensive report was not necessary to fire the then-commissioner, Tom Moyane, who has been replaced with a much more capable person. Bernstein also credited Ramaphosa with ending Zuma's attacks on the private sector. There are some downsides, however, including that Ramaphosa remains the head of a deeply corrupt, highly factionalized political party, where no one has gone to jail for corruption. The economy is worse than a year ago, and real new foreign direct investment is not coming in fast enough.

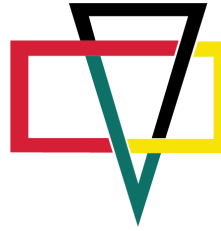
Bernstein flagged several areas for concern. She explained the background of the land issue in South Africa, and noted that Ramaphosa's government first rushed to move ahead with provisions that now seem so stalled that there is an active public debate about whether the government will ever actually expropriate property. Bernstein was also concerned that that Ramaphosa is pushing ahead with the National Health Insurance provisions despite not having any significant funds for it in the budget. One of two bills in parliament effectively attacks the private health system. The third area of concern is constant discussions about "nationalizing" the South African Reserve Bank (Central Bank), which has a quirky share structure. The fourth area of concern is that the former "native homelands," or

Bantustans, of the apartheid era, accounting for roughly 30% of the land area, are slowly moving their land tenure system to re-entrench the power of tribal chiefs. The fifth area of concern is discussion over the national minimum wage. Bernstein noted that CDE came out against the proposal for several reasons, including that the level proposed was far too high for South Africa, and could end up costing 700,000 jobs across the country, particularly from small and medium sized companies. All of these issues will come to the fore in elections held May 8. While few doubt that the ANC will win the most votes, the big question is what share of the vote will it win. Bernstein noted that the ANC could end up winning less than 50% in the critical province of Gauteng (home to Pretoria and Joburg). If the ANC polls less than 50%, it faces the prospect of either trying to govern as a minority party, or forming an alliance. The dream alliance for business would be teaming up with the main opposition party, the Democratic Alliance, which is polling around 30%. A probably more likely scenario would be teaming up with the Economic Freedom Fighters, which polled 6% in the last national elections.

Is there hope for South Africa? Bernstein gave a resounding yes as an answer. She noted that, even in the darkest days of the Zuma presidency, key institutions stood up to Zuma, notably the judiciary. The media remains generally strong, as does the SARB, and the business community finally found its voice. The May 8 election will be the beginning, rather than the end, of the battle. South Africa needs a higher economic growth rate, a labor-intensive economic model that promotes job creation, letting cities lead the country's development, and coming up with a new narrative for the country. All of this means constructing a platform for the required tradeoffs between big issues. Some holy cows "must be slayed."

CORPORATE COUNCIL ON AFRICA'S

U.S.-AFRICA
BUSINESS SUMMIT
2019



JUNE 18 - 21, 2019 | MAPUTO, MOZAMBIQUE

Corporate Council on Africa (CCA) and the Government of Mozambique will convene business and government leaders for the 12th U.S.-Africa Business Summit on June 18-21, 2019 in Maputo, Mozambique. The Summit will bring together more than 1,000 U.S. and African private sector executives, international investors, senior government officials and multilateral stakeholders.

Since the last U.S.-Africa Business Summit in 2017, the U.S. administration and African governments have demonstrated a renewed commitment to developing business-friendly initiatives and policies that foster greater economic engagement. The 2019 Summit themed **“Advancing a Resilient and Sustainable U.S.-Africa Partnership”** is specifically designed to facilitate and elevate business-to-business and business-to-government engagement.

1,000+
Delegates

500+
Companies

100+
Private Meetings

50+
Countries
Represented

10
Heads of State
confirmed so far

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PRESIDENT'S MESSAGE...continued from front page

explained the depth of African leaders' political will to complete these arrangements on a breathtakingly ambitious schedule.

He helped us recall how far African countries have come in just over three years since the formal launch of the negotiations in 2016. CCA will continue to hold events to help members stay abreast of these fast-moving developments and digest what their impact is. The simple conclusion is that Africa is rapidly taking steps to become a much more modern, integrated and competitive market, which should mean that individual countries and regions are that much more attractive as potential partners and markets for U.S. firms.

There were two excellent examples of countries making their pitch directly to CCA members in Washington. In March, CCA was pleased to host Sierra Leone's President Bio and his top economic advisers, who explained in detail the country's plan to triple GDP in the coming decade. The discussion was very open and President Bio's team was incredibly responsive, literally making connections with companies at the event that seem likely to result in commercial deals. In April, CCA also hosted President Tshisekedi of the Democratic Republic of Congo, who outlined his administration's economic development priorities, and underscored his interest in attracting more partnerships with American firms, including in sectors like mining. During the Spring Bank/Fund meetings, CCA organized meetings with Prime Minister Coulibaly of Cote d'Ivoire as well as Cote d'Ivoire's Minister of Petroleum, Energy, and Renewable Energy; hosted Nigerian Ministers of Finance and Budget and Planning; and convened a discussion of U.S. companies with Kenya's Cabinet Secretary of Industry, Trade and Cooperatives Peter Munya regarding the future of the U.S.-Kenya trade and investment relationship. All of these exchanges point to the very real interest of African countries to make better connections with American companies. It has been refreshing to hear so many countries willing to talk through some of the trade and investment challenges companies sometimes face, as well as to see a number of countries taking steps to improve their doing business environments.

There are certainly still challenges across Africa, as we heard in the African Finance Forum on April 10. We had a great set of experts, including from the IMF, the Angolan and Mozambique Central Banks, as well as several private sector firms talk through some of the challenges involved in creating the correspondent banking relationships and providing access to hard currency that integrated business transactions require. There was a clear sense that Africa is relatively underbanked, particularly measured by developments in other continents. There was also a recognition that this is one of the sectors where Africa is most likely to leapfrog previous development models, and apply much more agile new technologies (Fintech) that can unlock significant growth opportunities as well as improve integration of rural and poorer populations.

As in the rest of the world, natural disasters and politics continue to intervene. We were pleased to host an event with the Ambassadors from Mozambique, Malawi and Zimbabwe – each hit to different degrees by Cyclone Idai – as well as welcome a presentation by a strong team from U.S. Agency for International Development's (USAID's) Office of Foreign Disaster Assistance that is coordinating the USG response to this disaster. This event was a great opportunity to hear more detail about what the three affected countries need, and how the U.S. and the international community have been responding. We look forward to continuing these discussions at the U.S.-Africa Business Summit and beyond, as the needs will continue to be immense, particularly as these three countries move from immediate relief efforts to longer-term reconstruction.

April also saw several important political developments in Africa. First and foremost was the Nigerian election at the beginning of the month, with the re-election of President Buhari. Like many others, we eagerly await his cabinet selections to get a better idea of what priorities he will pursue in his second term. South Africa is also on the cusp of an important national election that will have a big impact on the future of the country. We were pleased to host one of President Ramaphosa's Investment Advisors, Phumzile Langeni, as part of our Africa Finance Forum, where she explained the priority the president places on attracting more Foreign Direct Investment from American firms. There have also been important transitions in Algeria and Sudan, where situations are still evolving.

The common thread through all of these developments is that events in Africa are as dynamic as they have ever been – from national elections in key countries to the ratification of AfCFTA which will be a long-term game-changer for the entire continent. CCA will continue to provide members and other stakeholders the access, connections, and insights needed to take advantage of positive changes and opportunities in the growing African market, while the United States under new initiatives such as Prosper Africa and the Build Act facilitate greater U.S.-Africa trade and investment. We look forward to robust engagement and discussion of all of this during the U.S.-Africa Business Summit and to seeing you in Maputo!



2019

CALENDAR OF EVENTS

MAY

16 | Washington, DC
Ethiopia Partnership Forum

JUNE

18 - 21 | Maputo, Mozambique
U.S.-Africa Business Summit

AUGUST

TBC | Abidjan, Cote d'Ivoire
AGOA Private Sector Forum

SEPTEMBER

TBC | New York, NY
Special Events on the sidelines of the UNGA meetings

DECEMBER

TBC | Nairobi, Kenya
CCA Health Forum

WORKING GROUPS

CCA will host working group meetings on the continent and in the U.S. on key issues in the following sectors: Agribusiness, Capacity Building, Energy, Finance, Health, ICT, Infrastructure, Security, Tourism and Trade.

TRADE MISSIONS

CCA will host trade missions and reverse trade missions during the course of the year

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